

NORTH DAKOTA PUBLIC EMPLOYEES RETIREMENT SYSTEM (NDPERS)

VENDOR QUESTIONS AND ANSWERS

June 23, 2006

1. You are asking for a net of commission bid ---how will we be able to be reimbursed (i.e., fixed amounts contracted with provider, direct payment from you, etc.)?

The RFP does not require proposals to be “net of commissions.” NDPERS will not directly pay any commissions or fees. If commissions are paid, they must be built into proposed premium rates. It is each carrier’s decision whether to submit a proposal net of commissions or through an agent / broker with commissions.

2. I am assuming we would be holding employee meetings, other local service work, etc.

No meetings are planned at this time; it is PERS intention to work with the successful carrier to determine our needs in this area.

Your proposal should thoroughly describe any additional services you will provide to NDPERS.

3. Do they really want fully insured rates moving forward? I know that they requested both.

- **For dental, NDPERS will consider both insured and self-funded proposals.**
- **For LTC, only insured proposals will be considered.**

4. Is the list of vendors that the NDPERS RFP was sent to public information?

Please contact NDPERS after the contracts have been issued for this information.

- If so, or even if not, could you make that list available to us?

Please contact NDPERS after the contracts have been issued for this information.

5. Is dental experience available for 2003?

Specific data is not available. Total paid claims for 6/2003 to 6/2004 were \$1,924,728.

6. Can you provide dental rate history prior to 1/1/05?

Rate History	1999	2000	2001	2002	2003	2004
Single	\$9.25	\$22.16	\$26.28	\$27.72	\$27.72	\$29.64
Single + Spouse	\$37.11	\$42.70	\$50.64	\$53.40	\$53.40	\$57.06
Single + Child(ren)	\$43.18	\$49.71	\$58.96	\$62.16	\$62.16	\$66.45
Family	\$61.04	\$70.27	\$83.32	\$87.84	\$87.84	\$93.90

7. Is the questionnaire available in a word format?

Originally, the RFP questionnaire was posted to the website in pdf format. It was reposted as a Word Document on 5/24/2006.

Per the 6/12/06 GBS email: "We've had a number of requests for the questionnaires in Word format. Go to the NDPERS website and open the RFP Section in which you are interested. (RFP Sections II and III contain the questionnaires.) Click in the document --> Click Edit --> Select All --> Copy --> Paste into a Word Document."

8. Do you have the dental rates for the in-force plan from 1/1/2004 through 12/31/2004?

See the response to question 6 above.

9. The Dental Participation Summary Report shows a combined total of 4,362 participants. The experience is showing a total of 3,922 for Feb. 06, but over the last two years not breaking the 4,000 mark. The participation report and the experience report are not matching up with a 440 discrepancy (approx 10%). Can this be reconciled?

The experience report reflects the actual number of covered lives as reported by ING. The participation report came from NDPERS and appears to reflect a somewhat different eligibility base. It is recommended that the lives from the experience report be used.

10. How many employees are currently on the plan?

- **Dental.** Refer to NDPERS Dental Participation.doc. (This report was sent to vendors who requested the census.)
- **LTC.** Per RFP Section II – page 7, approximately 20 to 25 individuals currently participate in the LTC plan.

11. You provided us with dental experience for 2004-2005. Can you get us 2003 and 2006 experience?

- **2003.** See the response to question 5 above.
- **2006.** We have requested the information from ING and will release it if and when it is available.

12. Do you want us to match their current plan design, or would they be open to a new plan design?

- **Dental. See RFP Section II, page 5 for “Proposed Plan Designs.”**
- **LTC. See RFP Section II, page 8 for “Proposed Plan Designs.”**

13. Can we get the dental rate history for 2003 through 2006?

- **2003. See the response to question 6 above.**
- **2004. See the response to question 6 above.**
- **2005. Provided in RFP Section II, Article I (page 4).**
- **2006. Provided in RFP Section II, Article I (page 4).**

14. Is it possible to get the questionnaire in electronic format in a Word document?

See the response to question 7 above.

15. Can you give me any insight as to the reason NDPERS is looking to bid the long term care? My memory was that in the recent past this coverage was written on a group basis with UNUM.

Per RFP Section II, Article I (page 7), the group currently has group long term care coverage through UnumProvident. NDPERS is interested in expanding enrollment in its LTC plan. They are looking for alternative approaches from carriers to achieve this goal.

16. We did not see a request for a geo-access report, only number of dentists by type on network tab; is this something you would want to see?

Respondents are free to provide this information, but it is not required.

17. Where would you like us to list Pediatric Dentists – under General Dentists or Specialists?

List Pediatric Dentists under Specialists.

18. How would you like us to handle the situation where we have two dental networks to report on and the RFP has space for one? Can we just copy the pages and label them based on the network we are reporting on?

Yes, copying the pages and labeling them is fine.

19. Regarding RFP Section II, Article V – Minimum Conditions, question #15:

Q #15. Respondents must agree to comply with existing administration of NDPERS. Any modifications needed to accommodate NDPERS data will be done at the vendor's own expense.

We need clarification / specifics on existing administration. Then, administration of what – claims?, eligibility?, the contract itself?, etc.?

Refer to the “NDPERS Administration Manual” posted on the web site. This document outlines the administration requirements referenced in the above question.

20. Regarding RFP – Section II, Article VIII – Claims Administration Questionnaire, question #19, second bullet item:

Q #19. Do you have the ability to administer the employer's appeal process?

We need a copy of the “employer's appeal process” in order to answer this question. Will this be provided?

Since the plans are currently fully insured, the appeal process was established by the carrier; this would be the expectation if the plan remains fully insured.

21. Regarding RFP – Section II, Article IX – Aggregate Stop Loss Questionnaire, question #18:

Q #18. With respect to Aggregate claims submitted for reimbursement, please describe any limitations (e.g., minimum dollar amounts).

We would like “aggregate claims” defined and what process is in place currently for these claims?

“Aggregate claims” means the total allowable claims for the insurance contract period. NDPERS’ current dental plan is insured; therefore, there is no aggregate stop loss insurance presently in place.

22. Regarding RFP – Section II, Article V – Minimum Conditions, question #8: Question # 8 reads,

Q #8. Your proposal assumes each coverage is purchased on a stand-alone basis. Provide information in the Cost Proposal Response Exhibit of any savings or discounts applicable if your company is awarded two or more lines of coverage.

Can you please identify where the “Cost Proposal Response Exhibit” is located and what it is named. There is nothing clearly identified as “Cost Proposal Response Exhibit.”

The phrase “Cost Proposal Response Exhibit” should be replaced with “Cost Exhibits.” See RFP – Section II, Article XIII – Cost Exhibits.

23. Regarding RFP – Section I, Article 1.08 “Number and Format of Proposals”: Section 1.08 states that the “Cost Proposal” must be provided in a separate, sealed envelope. Please identify which piece is the “Cost Proposal.” Is this one and the same as the “Cost Proposal Response Exhibit” referred to in RFP Section II (see above question). Where is the Cost Proposal located?

The Cost Proposal is each vendor's proposed rates and fees and should be completed in the format provided in RFP Section II, Article XIII – Cost Exhibits, along with any relevant supporting material.

24. Is dental claims data available from March through May of 2006?

See the response to question 11.

25. What is the current R&C level for the Dental plan?

80th percentile of HIAA allowance.

26. Can we obtain a copy of the current SPD and/or a detailed plan summary from ING?

Yes, per RFP Section II (page 4), the current SPD is posted on the NDPERS website as follows: Go to Member Services → Active Members → Group Insurance Programs → Dental Plan.

27. On the Sample Dental Claims Repricing File, what would you like to see for the allowed fee, 80th or 90th Percentile?

Match what is currently in place (see Question #25 above).

28. Is there a dental network currently in place?

No.

29. If there is a dental network, how are claims reimbursed out of network?

Not applicable.

30. If there has been opportunity for questions and answers, and the broker has responded in writing to all of those questions, can we get a copy?

Per RFP Section I, Articles 1.06 and 1.07, all vendor questions will be released to the vendors. This Q&A serves as the list of all vendor questions and the responses to those questions.

31. Is a census available that shows 5 - digit zip codes, and enrollment by tier?

Yes, the Dental Census, including 5-digit zip codes, was sent to all vendors requesting the census information. Per the census, the tier structure is not available by employee / retiree. Refer to the Word Doc entitled: NDPERS Dental Participation Report.doc for total enrollment numbers by tier.

32. Is a copy of the NDPERS Dental Participation Report.doc available?

Yes, the Dental Participation Report was sent to all vendors requesting the census information.

33. We do not offer Individual Stop Loss or Aggregate Stop Loss on Dental. Will this create a problem with our response?

Organizations that cannot provide aggregate stop loss insurance (ASL) are encouraged to partner with an insurance carrier that can provide this coverage and submit a joint proposal.

34. Since the rates are the same for the actives/retirees, can we provide rates in this same format?

Yes.

35. If proposing Dental Plan Design 2, what limits are required for the aggregate stop loss?

Vendors should quote a minimum coverage of 125% of expected claims and provide expected claim assumptions.

36. For firms proposing a dental plan, will the State develop premiums? What support is necessary from Offeror for developing premiums?

NDPERS or its consulting actuary, Gallagher Benefit Services, Inc., will establish contribution rates and reserves if the dental plan is self-funded.

37. RFP Section II, Article VIII, Question 31. What are NDPERS timely filing provisions?

Q #31. Would you agree to process run-out claims to match the timely filing provision(s) of the plan?

This provision would be subject to negotiation with the successful carrier.

38. What have been the claims experience for the existing stop loss vendor for the past three years?

NDPERS' current dental plan is insured. Therefore, there is no aggregate stop loss insurance presently in place.

39. RFP Section II, Article VII, Question 26. How many open enrollment meetings are held in the fall?

NDPERS does not conduct open enrollment meetings; they notify employees by personal mail, e-mails, and through their web site.

40. The current vendor provides rider benefits for Minnesota residents, will this rider be required for a self-insured ASO arrangement (Dental Plan Design 2)?

Such a rider will be included only if required by State law.

41. Is the NDPERS dental plan an ERISA plan? Will a self-insured plan (Dental Plan Design 2) be exempt from State Laws?

- No, the NDPERS dental plan is not an ERISA plan. Per ERISA, governmental plans are exempt from ERISA's requirements.**
- We cannot make a blanket statement that a self-funded dental plan is exempt from ND State laws. NEPRS is, however, exempt from premium taxes.**

42. To keep administrative costs and premiums down, is it acceptable to provide provider information over the Internet, but printed copies via mail only when requested?

If this is an option available to NDPERS, indicate so in your proposal along with its cost impact.

43. Depending on the answer to the question directly above, is it acceptable to provide Summary Plan Descriptions via the Internet, but printed copies via mail only when requested?

Yes. The SPDs are currently posted on the NDPERS web site.

44. How many actively-at-work employees work less than 20 hours per week?

Unknown; this data is not captured by all employers.

45. Would NDPERS consider 30 hours per week as the minimum for eligibility, as opposed to 20 hours per week?

No. This is set in state statute; PERS cannot arbitrarily make an exception to this policy.

46. Would NDPERS consider providing an electronic census at time of implementation that would include First Name, Last Name, SSN, and Payroll Center?

As PERS does not have an integrated business system, our ability to provide this detail is limited. However, we will work with the successful carrier to provide whatever census data we have available.

47. You have requested a periodic mailing list label. What would this be used for?

Participant communications.

48. Is the mid-October 2006 Open Enrollment date with 1/1/07 policy effective date firm?

Yes.

49. What is your expectation as to medical underwriting for subsequent re-enrollments?

It is a requirement that all current plan participants must be covered without penalty by a new carrier / administrator. For individuals not currently enrolled and are eligible to participate, the carrier / administrator may apply its standard underwriting requirements. These should be thoroughly described in your proposal.

50. What is the version of HIAA currently used for claims adjudication?

Answer to be provided as soon as the response is received from the incumbent.

